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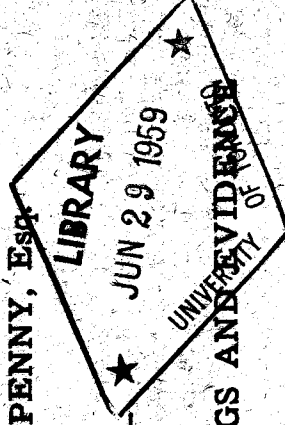
HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament
1959

SPECIAL COMMITTEE ON

BROADCASTING

Chairman: G. E. HALPENNY, Esq.



MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

MONDAY, JUNE 22, 1959

BOARD OF BROADCAST GOVERNORS

WITNESSES:

Dr. Andrew Stewart, Chairman, Board of Broadcast Governors;
and Mr. Carlyle Allison, Member.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

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SPECIAL COMMITTEE ON BROADCASTING

Chairman: G. E. Halpenny, Esq.

Vice-Chairman: J. Flynn, Esq.

and Messrs.

Miss Aitken,
R. A. Bell (*Carleton*),
Tom Bell (*Saint John-
Albert*),
Brassard (*Lapointe*),
Mrs. Casselman,
Chambers,
Dorion,
Eudes,
Fairfield,
Fisher,
Forgie,

Fortin,
Johnson,
Kucherepa,
Lambert,
Macquarrie,
Mitchell,
Morris,
Muir (*Lisgar*),
McCleave,
McGrath,
McIntosh,
McQuillan,

Nowlan,
Paul,
Pickersgill,
Pratt,
Richard (*Ottawa East*),
Robichaud,
Simpson,
Smith (*Calgary South*),
Smith (*Simcoe North*),
Taylor,
Tremblay.

J. E. O'Connor,
Clerk of the Committee.

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MINUTES OF PROCEEDINGS

MONDAY, June 22, 1959

The Special Committee on Broadcasting met at 9.30 a.m. this day. The Chairman, Mr. Halpenny, presided.

Members present: Miss Aitken; Messrs. Bell (*Carleton*), Bell (*Saint John-Albert*); Mrs. Casselman; Messrs. Chambers, Dorion, Fairfield, Flynn, Forgie, Halpenny, Kucherepa, Lambert, Macquarrie, Muir (*Lisgar*), McCleave, McGrath, McIntosh, Pickersgill, Paul, Robichaud, Smith (*Calgary South*) and Smith (*Simcoe North*).—22.

In attendance: Dr. Andrew Stewart, Chairman, Board of Broadcast Governors; and Mr. Roger Duhamel, Vice-Chairman; Mr. Carlyle Allison, Member; Dr. Eugene A. Forsey, Member; and Mr. W. D. Mills, Secretary.

The Chairman observed the presence of quorum and tabled for inclusion as appendices to today's record answers to certain questions asked by Messrs. Tremblay and Paul on June 9th and June 16th respectively.

Dr. Stewart and his colleagues were introduced to members of the Committee, and Dr. Stewart reading from a prepared text copies of which were distributed to members, outlined the organization, function and responsibilities of the Board of Broadcast Governors.

At 11.00 a.m. the questioning of Dr. Stewart and Mr. Allison continuing, the Committee adjourned to meet again at 9.00 a.m., Tuesday, June 23, 1959.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

MONDAY, June 22, 1959

9.30 a.m.

The CHAIRMAN: Gentlemen, we now have a quorum. Thank you for arriving so early on a Monday morning. I know it is difficult.

The C.B.C. have submitted two answers to recent questions. I think we can table them.

On June 9, Mr. Tremblay asked what was the gross amount paid in 1957-1958 for films on the French network, broken down between Canadian and foreign.

At the same time the corporation was asked to supply a list of distributors from whom these films had been obtained. The answers to these questions are attached.

Then on June 16 Mr. Paul requested that the letter sent by the episcopate of Canada to the C.B.C. following the production of the program *La Plus Belle de Ceans*, and the C.B.C.'s reply to that letter be tabled. A copy of each is attached. Is it agreed that these answers form part of our record to-day? Agreed.

(See appendices A, B and C)

This morning as witnesses we have the three permanent members of the Board of Broadcast Governors. On my immediate right is Dr. Andrew Stewart, the Chairman, Mr. Roger Duhamel, the Vice-Chairman, and Mr. Carlyle Allison.

I think Dr. Stewart has a statement.

ANDREW STEWART (B.S.A., M.S., LL.D., D.Sc., *Chairman of the Board of Broadcast Governors*): I wish to say on behalf of my colleagues that we welcome this opportunity to meet with you and to be of any assistance we can to you in answering your questions. I feel rather like another Stuart, Charles the first, who, when he was mounting the scaffold—it is recorded—said "If I make any mistakes, please excuse me; I have not done this before".

We are in much the same position to-day and I am sure you will realize that with the new board there are probably many aspects of the broadcasting industry which have not yet come up for the attention of the board. Therefore it may be difficult for us to express the view which is that of the board as a whole. But we shall endeavour to do the best we can.

May I now proceed with the brief statement that we have?

The CHAIRMAN: By all means.

Dr. STEWART:

1. The Broadcasting Act, assented to September 6, 1958, provided (section 3(1)) "There shall be a board, to be called the board of broadcast governors, consisting of three full-time members and twelve part-time members to be appointed by the governor in council". The order in council (P.C. 1958-1539) appointing the members of the board of broadcast governors was passed on November 10, 1958. The following full-time and part-time members were appointed:

Full-time: Andrew Stewart (Chairman); Roger Duhamel (Vice-Chairman); Carlyle Allison.

Part-time: Joseph F. Brown, Vancouver; Mrs. Mabel G. Connell, Prince Albert; Emlyn Davies, Toronto; Eugene A. Forsey, Ottawa; Edward Dunlop, Toronto; Guy Hudon, Quebec; Ivan Sabourin, Iberville; Mrs. R. G. Gilbride, Montreal West; Colin B. Mackay, Fredericton; Roy D. Duchemin, Sydney; J. David Stewart, Charlottetown; Robert S. Furlong, St. John's.

Mr. R. S. Furlong resigned from the Board on May 14, 1959.

2. The objects, purposes, and powers of the board of broadcast governors are set out in the Broadcasting Act, and in certain of the general regulations under the Radio Act.

The general objects and purposes of the board are found in section 10 of the Broadcasting Act which reads as follows:

The board shall, for the purpose of ensuring the continued existence and efficient operation of a national broadcasting system and the provision of a varied and comprehensive broadcasting service of a high standard that is basically Canadian in content and character, regulate the establishment and operation of networks of broadcasting stations, the activities of public and private broadcasting stations in Canada and the relationship between them and provide for the final determination of all matters and questions in relation thereto.

Power to make regulations governing the operation of stations, programming, advertising, networks, and the provision of information to the board, is given under section 11. Section 12 deals with referral to the board by the Department of Transport of applications for licences, increases in power, etc., the holding of public hearings on these applications, recommendations by the board to the minister, and the final disposition of the applications by order in council. Section 13 has reference to networks. The board may approve temporary network affiliations without public hearings; and may, after hearings, approve permanent affiliations for network purposes. The section recognizes the responsibilities of the Canadian Broadcasting Corporation, as set out in part II of the act, and defines the relations of the board and the corporation in the matter of network affiliations. Section 14 sets certain limits to the participation of non-Canadian interests in networks of broadcasting stations. The remaining sections deal with suspension of licences, prohibitions and penalties (although no penalties other than suspension are stipulated), and political programmes.

Section 103 of the general radio regulations part II under the Radio Act, which is entitled "Special regulations applicable to private commercial broadcasting stations" contains a number of references to the board of broadcast governors. The recommendation of the board to the minister is required in the case of transfer of ownership, transfer of shares, multiple ownership, and operation of stations by persons other than the licensee or his bona fide employees.

3. The powers and duties of the board bring it into contact with the Department of Transport and the Canadian Broadcasting Corporation.

Licences, with the conditions attaching to them, are issued by the Department of Transport. Applications for licences or for changes in the conditions attaching to them, are made to the department. If an application is technically acceptable, i.e. meets the technical requirements prescribed by the Radio Act and the general regulations thereunder; the application is passed to the board for recommendation. Through arrangement with the department, the board participates in the technical review; and technical information in the department is made available to the board. We welcome this opportunity to express our appreciation of the understanding help given to the new board by all the officers of the Department of Transport.

The regulations of the board apply to the stations of the corporation as they do to private stations, and for a time the board was applying regulations promulgated by the previous board of governors of the Canadian Broadcasting Corporation. This situation has changed with the issuance of the board's radio regulations which took effect on June 1, 1959. However, the new board has found it necessary, on many questions of interpretation of regulations to draw upon the experience of the officers of the corporation. Assistance in these and related problems of transition has been given most generously to the board.

The powers and responsibilities of the board and the corporation come together in procedures affecting affiliation of private stations with the network of the corporation; and occasionally in regard to applications for licences. Procedures with respect to affiliations are prescribed in section 13 of the act. The board is fully conscious of the powers and responsibilities of the corporation as set out in part II section 29(1) of the broadcasting act "to operate a national broadcasting service", to "maintain and operate broadcasting stations and networks of broadcasting stations", and to "establish, subject to approval of the governor in council, such broadcasting stations as the corporation considers necessary or desirable". As problems arise, mutually satisfactory procedures for dealing with them, are worked out between the corporation and the board.

4. The Broadcasting Act (section 9) provides for an executive of the board consisting of the three full-time members and four part-time members. By action of the board, Ivan Sabourin, J. David Stewart, Eugene Forsey, and Emlyn Davies (with Edward Dunlop as an alternate) were appointed to the executive.

The full board and the executive committee have met on the following occasions and have had public hearings of the board on the days noted:

	Meetings of Full Board	Public Hearings by Full Board	Meetings of Executive
Nov.	20-21, 1958	Jan. 28, 29, 30	Jan. 12 and 13
Jan.	27, 1959	Mar. 16, 17, 18	Mar. 3 and 4
Mar.	18, 1959	May 12, 13, 14	Apr. 16 and 17
May	12 and 15		June 12

As a result of the public hearings the following recommendations have been forwarded to the minister:

Type	Number	Approval	Deferment	Denial
Changes in Power and/or Frequency..	23	18	3	2
New A.M.	29	15	2	12
New T.V.	8	6		2
New F.M.	2	2		
New A.M. Satellite	1	1		
New T.V. Satellite	3	2	1	

The board has generally approved applications for increases in power. Interference builds up over the years, and increases in power result in better service to listeners. Deferment of increases has been based on programming problems; denial has been recommended only in the case of conflicting applications involving both power and frequency. In the case of applications for new AM licences denial has been recommended mainly because of conflict with other applications recommended for approval, or because of lack of demonstrated need in the area.

The board has received one application for a permanent network. This application from stations in the maritime provinces was approved subject to review in six months to permit time to complete contractual and programme arrangements.

By action of the board the executive committee is empowered to deal with transfers of shares. The executive has dealt with 91 applications. Of these 85 were approved; 6 were not approved.

5. Licences to operate stations have been granted by the Department of Transport for a period of five years. The earlier section (section 8(3)) of the general regulations under the Radio Act reads:

Subject to these Regulations, licences for Private Commercial Broadcasting Stations shall continue in force for a period of five years commencing on the date of issue thereof and ending on the 31st day of March, but in the case of a licence issued after the 1st day of April in any year the licence shall terminate on the 31st day of March following the expiration of the five-year period, except that for such stations a licence may be continued in force for further periods of *five years* subject to the approval of the Minister.

After consultation with the Department of Transport, the Board in connection with its public hearings on March 26, announced a revision of this section to read:

Subject to these Regulations, licences for Private Commercial Broadcasting Stations shall continue in force for a period not exceeding five years but in the case of a new station where the licence is issued after the first day of April in any year, the licence shall terminate on the 31st day of March following the expiration of the period; except that such a licence may be continued in force for further periods *not exceeding five years* subject to the approval of the Minister.

You will notice I have underlined the phrases which are different in the two sections, the old one and the amended one.

The board found that at March 31, 1959, 171 licences were due for renewal. Section 21 of the general regulations (Radio Act) reads: "The assignment of a frequency or frequencies to any station does not confer a monopoly of the use of such frequency or frequencies nor shall a licence be construed as conferring any right of continued tenure in respect of such frequency or frequencies". The board felt that renewal of licences should not be considered to be automatic; and that before recommending renewal of licences the board should review the operations conducted by the licensees. It was clearly impossible for the new board to review the operations of all of the 171 stations whose licences were due for renewal on March 31, 1959. The purpose of the amendment to section 8 was to permit the board to grant renewals for varying periods in order to have a limited number of renewals coming up each year, and thereby to facilitate review of station operations. The amendment was also deemed desirable as a means of bringing to the attention of licensees the intention of the board to conduct such a review before recommending renewal. The board decided that it would, each year, invite to appear before it a number of the stations whose licences were due to expire, so that the board might receive a report from the station and might have an opportunity to discuss with the licensee any aspect of the operation of his station. The board believes that this new procedure has already proved useful to the purposes of the board, as set out in the act; and it is the intention of the board to continue the practice in subsequent years.

6. Section 37 of the Broadcasting Act reads as follows:

"The regulations made under the Canadian Broadcasting Act were in force at the coming into force of this Act shall be deemed to have been made under Part I and shall continue in force until repealed or altered by the Board of Broadcast Governors under the authority of Part I".

In connection with its public hearings on May 14, the board announced its regulations to replace the regulations of the board of governors of the C.B.C. on June 1, 1959. Representations were heard, some amendments made, and the new regulations of the board of broadcast governors were distributed to licensees and others in advance of June 1.

The new regulations, although we believe them to represent an improvement in certain respects, do not embody any substantial changes from the earlier regulations. The changes included those required to make the regulations consistent with the transfer of regulatory powers from the corporation to the board of broadcast governors; and certain other changes necessary to make the regulations consistent with the new Broadcasting Act. We would call attention to the new regulation requiring the manager or some senior officer of the station to endorse the program log sent forward to the board. The log is the record of the operations of the station which must conform to the regulations. While the program log has certain defects as a record of performance, it is in the board's view in the nature of a report submitted by the licensee to the board, and should preferably be submitted by the licensee himself, or the chief executive of a licensed company.

7. The board has approved certain changes in the white paper on political and controversial broadcasting as prepared by the former board of governors of the Canadian Broadcasting Corporation; and it is now distributed as a document of the board of broadcast governors.

The broad principles have been left unchanged. The amendments were mainly those required by the new legislation, and by the establishment of the board as the responsible body.

The board has received a number of representations on the subject of the prohibition of political broadcasting on the two days preceding an election. Section 17(1)(b) of the Broadcasting Act reads:

(No licensee shall) broadcast a program, advertisement or announcement of a partisan political character on any day that an election is held for the election of a member of the House of Commons, the legislature of a province or the council of a municipal corporation, or on the two days immediately preceding any such day.

The board is bound by the provisions of the act.

At its public hearing in March, it was brought to the attention of the board that at least one radio station was following the policy, not infrequently adopted by newspapers, of using station time and facilities to present and support a slate of candidates in municipal elections. After careful consideration the board wrote to the minister advising him that in view of the important implications of this policy, the members of the board felt that the position of stations in this regard should be dealt with in the legislation rather than by regulation of the board.

The board has also had some representations on the subject of solicitation of donations in support of political parties. The prohibition of this activity, implicit in section 5(g) of the regulations has been enforced. The section

reads "(No station shall broadcast) any appeal for donations or subscriptions in money or in kind on behalf of any person or organization other than:

- (i) churches or religious bodies permanently established in Canada and serving the area covered by the station,
- (ii) recognized charitable institutions or organizations,
- (iii) universities,
- (iv) musical or artistic organizations whose principal aim or object is other than that of monetary gain".

8. Three provincial elections have been announced within the period of the board's operations. The Board has revised the guiding principles and policies for information of broadcasters, speakers and agencies, and on the announcement of the date of the election copies have been sent to all radio stations and to political parties active in the election.

As set out in the white paper, the corporation has met with the representatives of the parties, and free time has been allocated by agreement. The agreed times have been reported to the board.

Private stations have reported to the board the times purchased by parties for political broadcasts, and where these have met the regulations they have been approved.

9. The full-time members of the board have endeavoured to establish effective liaison with the Canadian association of broadcasters, the broadcasting stations, and the public.

Meetings with the executive of the Canadian association of broadcasters have been held from time to time, sometimes at the request of the CAB and at other times at the request of the board. The chairman of the board addressed the annual convention of the CAB in March 1959; and during the convention, the vice-chairman spoke to the French-language broadcasters. Mr. Allison addressed the annual meeting of the western association of broadcasters. At a public meeting of broadcasters arranged by the all-Canada radio and television, members of the board took part in a panel discussion. Efforts have been made to visit stations in various parts of the country as the opportunity occurred. Many individual stations write to the board concerning their problems, program policies, and the interpretation of the regulations. The part-time members are constantly in touch with broadcasters in their regions. All these contacts have greatly assisted the board in making itself familiar with the problems of the industry, and it is a pleasure to record the friendly and cooperative assistance the board has had from the private segment of the broadcasting system.

The board receives and deals with a steady flow of correspondence from listeners across Canada expressing views, favourable and otherwise and frequently conflicting, on the service being rendered by public and private stations. The board seeks to encourage this flow of opinion; and, when appropriate, passes on the comments of listeners to the station involved. Members of the board have, when requested, endeavoured to interpret the legislation, to explain the functions of the board, and to express the views of the board at public meetings.

The CHAIRMAN: Thank you very much, Dr. Stewart.

Miss Aitken and gentlemen, I would suggest, if it is agreeable to all, that we study the submission by Dr. Stewart and ask questions on each section as we go along.

Section 1 merely outlines the full-time and part-time members of the board. I presume there are no questions on that?

Mr. BELL (*Carleton*): I would like to ask a question on that, Mr. Chairman. Has there been any division of duties agreed upon among the three full-time members of the board?

Dr. STEWART: To a limited extent at the present time that has been done. We have not yet been able to compile our permanent staff, and some administrative problems have probably been held up as a result of that; but there are some divisions. In a general way we have divided up the country in terms of correspondence and matters which come to our attention; so that, primarily, I take care of some of the western areas, Mr. Duhamel is responsible for the central provinces and New Brunswick, and Mr. Allison is responsible for the maritimes. But this is a rough division. Matters immediately go to the attention of the individual concerned, and they may be raised with the other members of the board.

Mr. BELL (*Carleton*): Is it a geographical rather than a functional division?

Dr. STEWART: Yes, it is geographic rather than functional, for the moment.

Mr. BELL (*Carleton*): Is it eventually intended there will be a functional division?

Dr. STEWART: We have made no permanent decision on that, but we will have to divide our responsibilities in some way.

Mr. PICKERSGILL: I have a question to ask on that. I must confess that I have forgotten precisely what the provisions are in the act about the recruitment of staff, but could Dr. Stewart tell us what staff the board has recruited and how they have recruited it?

Dr. STEWART: The act requires, in section 7:

The officers and employees necessary for the proper conduct of the business of the Board shall be appointed under the provisions of the Civil Service Act.

Mr. PICKERSGILL: That is what I thought.

Dr. STEWART: Three competitions have been held. There has been a competition for an executive secretary; and that position has been filled only today by Mr. Mills, who is present here along with Mr. Fred Whitehouse, who has been pro tem secretary up to this time.

We have had a competition for the appointment of counsel to the board. That competition has been completed, and I understand that Mr. MacGillivray has accepted that position. As soon as he can be relieved from his present position he will come to the board. We have also advertised a competition for an engineer, but that has not been completed at this date.

Mr. PICKERSGILL: I recall from the debate there was some discussion that there may be some staff taken over from the regulatory side of the C.B.C.?

Dr. STEWART: Yes.

Mr. PICKERSGILL: Has anything of that sort been done?

Dr. STEWART: Not yet. As a matter of fact, the basic problem here is accommodation. I understand that in the last day or two approval has been given to permanent accommodation being provided for the board in the transportation building. At the moment we are occupying space on two floors of 63 Sparks street, which is limited.

Through the courtesy of the C.B.C., the staff who are scrutinizing the program logs are still occupying space there, but as soon as we have space we shall then acquire the necessary staff to handle the regulatory aspects of the board's work.

Mr. PICKERSGILL: Is it contemplated that some of the experienced staff that was with the C.B.C. will be transferred?

Dr. STEWART: No, it is not contemplated.

Mr. PICKERSGILL: Why is that? Are these people needed for other functions of the C.B.C., or does the board not think it desirable?

Dr. STEWART: In the main, I do not think it is necessary for us to raid the C.B.C. We have discussed the matter of the regulatory staff with them, and our understanding, in fact, is that many of the people there will probably not wish to come to the board. But we have not yet really grappled with the problem of who is going to handle the regulatory matters. It is possible in this case that somebody in the C.B.C. may be brought here, but I would like to say that as a matter of policy we would not wish to take skilled experts from the C.B.C.

The CHAIRMAN: Have you an establishment set up yet?

Dr. STEWART: No, not completely. We have been giving consideration to the operation of our regulatory responsibility and possible changes which we might make, that would affect the number of staff we would require to perform this operation. I may say that the object is to try and keep staff down to the minimum number. At the moment that has not been an urgent problem, because we have had no place to put people anyway.

The CHAIRMAN: What would you anticipate your complete establishment will be?

Dr. STEWART: I understand the C.B.C. had, perhaps, some eight to ten persons involved in the scrutiny of logs, the regulatory enforcement. We hope we might be able to manage with less; but this would require, I think, certain changes in procedure.

The CHAIRMAN: Miss Aitken and gentlemen, I notice that Dr. Eugene Forsey is present. He is one of the part-time members. Any further questions on section 1 gentlemen?

Section 2, the objects, purposes and powers of the board, as set out by the Canadian Broadcasting Act, particularly under section 10. Any questions on section 10 of the act?

Mr. PICKERSGILL: Yes, Mr. Chairman, I have several questions I would like to put on this section. This is, after all, the crucial section. It seems to me, in the first place, that section 10 is capable of being read without about half the lines in it. If you stopped after the words, "basically Canadian in content and character" and then went on and read, "and provide for the final determination of all matters and questions in relation thereto" it would seem to indicate that the board of broadcast governors has a definite and overriding responsibility over both the C.B.C. and private stations, particularly in the field of expansion.

The first question I would like to put to Dr. Stewart is this: does the board consider that it has the primary responsibility for deciding where services should be extended—I am thinking primarily geographically, but not entirely—and, if so, whether it is appropriate that services be extended in these areas by the private sector of broadcasting or the public sector? Does the board consider, in other words, it has over-riding authority or, does it simply wait for the C.B.C. on the one hand and private stations on the other to take the initiative?

Dr. STEWART: Mr. Chairman, the board has no powers to require applications. This is, I think, the basic limiting factor. I may say, the board has on a number of occasions discussed amongst its members its general responsibilities and we feel that the board has a general responsibility to assist in the provision of broadcasting services to the people of Canada. On the other hand, it is true we cannot initiate applications; we can only receive applications which come forward.

In an area that is not being served, if there is an application—let us suppose it is from a private applicant—the C.B.C. may, in this case, appear and, again, I presume we could require the C.B.C. to appear if we wished, to represent its interests in terms of its responsibilities in part 2 of the act, in providing service. I do not think we have a sufficient body of experience yet in dealing with these situations to have formulated our common law with respect to them; but I would suppose that if a private application came forward and there was no C.B.C. representation, if the situation seemed satisfactory to the board, they would recommend it.

Alternatively, of course, we may have an application from the C.B.C. for extension of service into a particular area, and let us assume that in this case, again, there is no private application. In this case we would look at it in exactly the same way, and if the board felt the application was satisfactory in all respects, and service was desirable, we would recommend it. If there were a conflict of applications, I would say in this event the board would have to give consideration to the responsibilities of the corporation, under the act, to provide a national service, and that this consideration might very well be the dominant one in such a situation.

Mr. PICKERSGILL: The next question I would like to put is this: Dr. Stewart, of course, is familiar with the requirement in the act that the Canadian Broadcasting Corporation should submit a five-year capital budget. Obviously, no capital budget can be drawn up intelligently without some knowledge as to where the C.B.C. is going to operate during that five years in places where it is not operating now—I am thinking, again, of this question of expansion—and yet the board has this overriding authority set out in section 10.

Has this problem come before the board; has the board given any consideration to this problem? I am sure they have not reached conclusions; but what tentative views have they reached about it?

Dr. STEWART: We have been aware of this problem. We have discussed it with the corporation; we have met with the executive of the board of directors of the corporation and have discussed it with them. My understanding is that the corporation may have certain funds set aside for expansion, but that these are not originally set aside in relation to particular situations—it is an amount for expansion. Within that amount the corporation has a system of priorities which are determined by the cost of extending service. We are advised that the corporation has a standard, or a maximum cost per potential viewer or listener, beyond which they will not go.

In a situation of this kind we will not receive an application from the corporation where this ruling applies. Therefore, it will not come before the board. We have had, however, certain circumstances in which there has been a private application for extension into a new area in which the corporation is also interested and has advised us that, if it is possible to get the costs below their maximum, they would then be prepared to proceed. This is the way in which these situations come before us.

Mr. PICKERSGILL: In that case, it would appear that the board feels it is limited, with regard to acting, where the initiative has been taken either by a private station or by the C.B.C.—that it has, itself, no planning function in this field?

Dr. STEWART: I think I would not go quite so far as to say that we have no planning function, because certainly when applications come forward to us, the board's decisions with respect to them do, in fact, reflect its ideas with respect to expansion. But it is correct that we cannot deal with situations unless there is an application before us.

Mr. PICKERSGILL: There is just one other question I would like to ask on this section, Mr. Chairman, and it is this: the board has already received a certain number of applications and has disposed of them, as far as the board is concerned. Has the board found any reluctance whatsoever on the part of the Department of Transport, or the governor in council, to accept its recommendations, to deal with them promptly?

Dr. STEWART: We understand that some of the recommendations which the board has passed forward to the minister have not been authorized by order in council. This is a fact of which we are aware.

Mr. PICKERSGILL: Could the chairman tell us what these are and when the recommendations were sent forward by the board?

Dr. STEWART: I believe—although there is a matter of communication here—we do not receive, nor is there anything in the legislation that requires we receive a report on what happens to our recommendations, when we pass them forward.

Mr. PICKERSGILL: I think that perhaps I did not make my question clear. After all, I presume someone on the board can read the list of orders in council as well as the rest of us, and until the order in council is passed, the recommendation has not been accepted. Therefore, the board may not know officially, but it obviously does know whether recommendations have been acted upon. What I am anxious to get are the names and the dates on which recommendations were sent forward and on which orders in council have not yet been passed.

Dr. STEWART: I understand that there are two, and possibly three. One was an application by Maisonneuve Broadcasting Company—I think was the name—for an A.M. English-speaking licence in Montreal. My understanding is that this one has not yet been approved by order in council. The second one is the case of the St. Boniface application of the C.B.C. for television service, French language, in St. Boniface.

These were prior to the last meeting. I am sorry, offhand I cannot remember which of the hearings, but they were prior to the last hearing. I have not yet heard whether any of the applications at the last hearing have been held up. I would not claim that they have been held up.

Mr. PICKERSGILL: That was quite recent, anyway; I do not want to press it, then.

Mr. ROBICHAUD: Mr. Chairman, I would like to know what is the policy followed by the board when two or more applications are made by, or received from private corporations to provide television service for an area. What is the policy: is preference given, say, to one of the applicants who has the support of the residents of the area?

Dr. STEWART: I would say that there are a great many factors which are weighed by the board in the application. The form which the applicants fill out requires a considerable body of information with respect to their programming policies, their budget for the operation of the station, the extent to which they propose to use live talent and to encourage Canadian participation in their stations.

In addition to this, of course, they provide—in many cases—large numbers of letters from residents within the community. The board's problem, essentially, is to check all this information in the case of both or all of the applicants, and weigh this. This is where the judgment of the board necessarily comes in. I do not think there is any overriding consideration in deciding as between two applicants; it is a question of balancing the merits of the one against the other in toto as the board sees it.

Mr. ROBICHAUD: I understand there are many factors involved; but if the board received two applications to cover a certain area within a province,

and one applicant is from outside that province and the other applicant is residing in the province, would not preference be given to the applicant residing in that province?

Dr. STEWART: The board has shown such a preference, although it may not have operated in this way on every occasion. But the board certainly has a preference for the person with local knowledge and experience.

Mr. McCLEAVE: I have two or three questions. Will Dr. Stewart refer to section 10 of the Broadcasting Act and say whether he, the other members of the board and their legal advisers construe the phrase "national broadcasting system" to include the operations of private broadcasting stations in Canada?

Dr. STEWART: The board has interpreted the term "national broadcasting system" to include all the private and public stations as part of a national system.

Mr. McCLEAVE: The second question, through the chairman to you, Dr. Stewart, concerns the so-called rock and roll stations with which you had some dealings earlier. Have you found they are co-operating in the provision of a varied and comprehensive broadcasting of a high standard which is basically Canadian in character and content?

Dr. STEWART: The concern of the board in respect of so-called rock and roll stations, although we have not attempted to define anything of this kind, is a problem of the varied and comprehensive service. This is the way the board approaches it. In many cases the board would like to see—and believes in fact that section 10 requires—a greater variety than is being offered. We would like to make two points here. We have been encouraged by some indication in the case of some stations of a considered policy of greater variation, since the board brought this matter to the attention of the public. I think we are getting some co-operation.

The other point is the one which the representatives of certain stations when they appeared before us made very strongly, that is, that this section has in mind the listeners, and that therefore in a multi-station area, a metropolitan area, where by turning the dial a listener can get a varied and comprehensive broadcasting service of a high standard of Canadian content and character, no particular station need be required to give this variety. This is a point of view which the board has found interesting and to which we are giving our consideration. We do admit that the position in a large metropolitan area with a number of stations is different from the situation where there is one station; and certainly in that case our view is we are required by the act to urge on them a greater variety.

Mr. McCLEAVE: If I understand you correctly, where there are several stations in one area and one of them does specialize in rock and roll, you are still withholding the decision of the board as to whether or not you are going to require that station to vary its program operations more. In effect, as a result of the argument which has been presented by the rock and roll stations, you have made no decision.

Dr. STEWART: The last statement I made in this respect in Toronto is that we still held to our original view that there is a responsibility on the individual station to provide variety; but it seems to be the view of the board that in a multi-station situation this is not urgent.

Mr. McGRATH: Does the board make its recommendations known to the general public in a general release prior to a decision being made? That is, are your findings made public, and if so, is this a departure from the procedure of the previous board.

Dr. STEWART: The answer is that we announce and release to the press the announcement which we send forward to the minister of the board's recommendation. This is the procedure which we understand was followed prior to the establishment of the board.

Mr. SMITH (*Calgary South*): Dr. Stewart, Mr. McCleave has anticipated most of my questions. There is, however, another facet. This does not have to do with a situation where there is a multiplicity of stations. There is a view held by some private broadcasters that the corporation should be expected to cater to the minority groups only and of course to the general commercial aspect as well, and that the private broadcaster should be permitted therefore to have a somewhat wider scope in his approach to broadcasting and programming. I gather this is something which is viewed otherwise by the board, and that the board feels they should be expected to perform their responsibility in respect of Canadian content and other things.

Dr. STEWART: It is our view that each station, public or private, comes under this requirement.

Mr. SMITH (*Calgary South*): The same thing applies to both.

Dr. STEWART: Yes.

Mr. SMITH (*Calgary South*): What are your criteria in connection with a station demonstrating need when you are determining whether or not you will grant a licence, dealing first with radio?

Dr. STEWART: Well, we look at the numbers of people in the area to be served; we obtain from the Department of Transport the contour maps and an estimate of the population within the area. In the second place, we look at the existing service in that area in terms of stations within the area and also stations which may be heard from outside the area; that is, the available service to listeners at the present time. We look at the growth of the community and the growth potential of the community, having in mind that a station will operate over a long period of years.

Where the situation is expanding, then obviously there is a better opportunity for another station to enter, to make its way and to program at the kind of level that the board wishes. One can only say the board has to look at all these things and exercise its judgment as to whether or not another station should be established, can meet its operating costs and can program with the kind of programs the board would like to see.

Mr. SMITH (*Calgary South*): Would you tell me what are the criteria in respect of television? I am speaking now of a second television station; I am not speaking of the single channel policy. Are the number of stations operating in the market and the financial position of the company factors?

Dr. STEWART: All the applications which the board has had are for areas not now served by Canadian stations under the present policy. Therefore, the criterion of numbers of sets in use is not very helpful in that situation.

The CHAIRMAN: You have not had as yet application for television licences from any of the densely populated areas in Canada that is for duplication.

Dr. STEWART: No, sir.

Mr. PICKERSGILL: Is it the view of the board that they could not entertain such applications until such time as the government formulates a new policy?

Dr. STEWART: Our position is that the applications go to the Department of Transport and if they never reach the Department of Transport they cannot come to us. This is the procedure under the act.

Mr. SMITH (*Calgary South*): I believe you are waiting for a new set of television regulations, and those are not yet completed?

Dr. STEWART: No. The board has been working on specific television regulations.

Mr. LAMBERT: May we refer back to Mr. McCleave's and Mr. Smith's original questions in connection with a Canadian content of the varied and comprehensive service of the stations. Are you looking to establish a rule for general application throughout the country particularly with respect to multi-station cities, bearing in mind the fact that there may be a difference in the border cities where certain groups of listeners at stated hours have complete access to American stations which cater to their listening requirements?

Dr. STEWART: I can think of a situation in the Toronto metropolitan area in terms of an application for a new AM radio licence.

Mr. LAMBERT: I am not concerned with that, but I am concerned in connection with stations which are now in existence. You watch the quality of their programs, and in areas like Montreal, Toronto, and Windsor as compared to stations like as in Winnipeg or Calgary which do not have competition from American stations, or from large American stations, and where, for example, the teen-age group from four to six—where if you do not play rock and roll, they just turn off the set?

The CHAIRMAN: What is your question, Mr. Lambert?

Mr. LAMBERT: Were you not listening?

The CHAIRMAN: Yes, I was.

Mr. LAMBERT: Has there been a general rule, or are you looking to formulate a general rule in respect to that particular problem?

Dr. STEWART: There is no rule. We are conscious of the fact in areas where American stations can be heard, that this is a factor in the operation of Canadian stations. But we have no rule.

Mr. MUIR (*Lisgar*): I was going to ask Dr. Stewart if in setting up satellite stations, which does he consider the more necessary: the need for more revenue by that particular station, or the needs of the area that is going to be served; or does he consider both?

Dr. STEWART: The basic interest and concern of the board is in service to the listeners. That is what we are primarily concerned with. The service cannot be continuous and satisfactory unless the station can get sufficient revenue. But this is a secondary consideration, as a means towards an end. Primarily the board is looking at the service to listeners.

Mr. McGRATH: How would that rule apply to cases where the Canadian Broadcasting Corporation competed with private interests for a licence in an area that is financially or commercially sound for commercial radio, and the board ruled in favour of the corporation?

The CHAIRMAN: If you mention Corner Brook, you would not get personalities into it, would you.

Mr. McGRATH: I have not mentioned any.

Dr. STEWART: The board has to face these situations: in the first place, I would say we recognize that the corporation has a national responsibility to provide a national network and therefore, if the corporation applies for admission to a particular situation on this ground, and there is an application from a private station, I would think that in such cases the board would approve the application of the corporation because of its national responsibilities.

If the corporation indicated that in terms of the number of people to be served it was unable to provide service at the present time, then obviously the board would be willing to recommend the application from the private applicant under these conditions.

Mr. PICKERSGILL: The question I want to put is this, and it is supplementary to the one asked earlier by Mr. Smith: does the board feel that it is not expected to take any initiative in recommending a policy for multiple stations or dual stations—I am talking about television here—in metropolitan areas, or is the board simply waiting until the government changes the policy which the previous government laid down several years ago?

Dr. STEWART: The members of the board have met with the minister on this matter on a number of occasions; and such views as the board may have, have been indicated to the minister. Basically we recognize this as a matter of government policy. However we are available to advise the minister to the extent that he wishes.

Mr. BELL (*Carleton*): I wonder if Dr. Stewart would indicate whether any preliminary standards may have been established by the board to determine what, in the language of the act, is basically Canadian in content and character? Is special weight given to Canadian authorship, or Canadian performers and so on? What rule if any has been laid down?

Dr. STEWART: We have not set up a formula for determining this. We are aware that in the report of the royal commission certain measurements of this were provided. But this of course requires very extensive study of program content to come up with any measurements, and we have not prescribed a formula. I think I can express the view of the board in this way that there are a great many factors in determining whether a particular program is a Canadian program, or what its Canadian content is. I think authorship, direction, participation by players—all these factors have to be taken into account. But at the moment we have no quantitative way of weighing these things and saying this is the content.

Mr. BELL (*Carleton*): Is it expected that the board will work out a formula for it?

Dr. STEWART: Yes.

Mr. BELL (*Carleton*): At what stage do you expect the board will be able to do it?

Dr. STEWART: I would say within the next few months, Mr. Bell.

Mr. BELL (*Carleton*): May I draw your attention to section 14, which, as you mentioned, at the bottom of page 2 sets certain limits to the participation of non-Canadian interests in networks. Has there yet been any problem arise in connection with section 14?

Dr. STEWART: Only in connection with the transfer of shares, and I am not sure that there has been any problem there. But this is the way in which these matters have come to the consideration of the board, in relation to the transfer of ownership, the transfer of shares, and so on.

Mr. BELL (*Carleton*): Section 14 has already been operative to prevent such transfers.

Dr. STEWART: Oh yes indeed.

Mr. BELL (*Carleton*): On how many occasions?

Dr. STEWART: I do not believe there has been any occasion when we have had to deal with an application when this condition was not met; but this is the test that we apply. However, I do not believe there has been any occasion.

Our submission shows that we have turned down one application for share transfer, but this was not the factor involved. The factor involved there was that the people who were to get the shares were not the people who, it was said, would get the shares at the time the licence was approved, and this we will not go for. But I do not think actually we have had any case where we had to turn down an application because of any contravention of this section.

Mr. BELL (*Carleton*): Are we to understand that since the broadcasting act came in there has been no application for participation by non-Canadian interests?

Dr. STEWART: No.

The CHAIRMAN: Would you like to review that, Dr. Stewart.

Dr. STEWART: Yes, I would. My immediate answer would be not in excess of the amount specified in the act in any event.

Mr. BELL (*Carleton*): And at the same time perhaps you would indicate as well the position in respect to multiple ownership, and whether it has been a problem as yet in applications before the board?

Dr. STEWART: Again I would say it has not been a problem in a particular case. It is a point with which the board is obviously interested and concerned, but I would not say there has been any particular problem.

Mr. BELL (*Carleton*): It would be interesting to know how many applications have been turned down, and how many applications for transfer of shares have been turned down on the ground of its being multiple ownership.

The CHAIRMAN: Possibly we could get that for you on Wednesday.

Dr. STEWART: We will check that and have it available on Wednesday.

Mr. ROBICHAUD: Mr. Chairman, at page 3 of his brief Dr. Stewart mentioned that the recommendation of the board to the minister is required in the case of transfer of ownership, transfer of shares, multiple ownership and so on. Part of the question I have in mind already has been answered by a question put by Mr. Bell. I would like to ask Dr. Stewart if it is the policy of the board to release the names of the owners of shares in a private station?

Dr. STEWART: No.

Mr. ROBICHAUD: What control does the board have in connection with multiple ownership? Can an individual control the shares in a number of private stations?

Dr. STEWART: It is possible.

Mr. ROBICHAUD: What is the policy of the board in regard to this?

Dr. STEWART: The new board has not in fact spelled out any formula. Our understanding was that the old board of broadcast governors to the C.B.C. limited it to the equivalent of 100 per cent of one station, but the new board has not specified yet any formula of that kind.

Mr. ROBICHAUD: I have another question and I do not know whether or not you have to answer it. Is it not true, Dr. Stewart, that certain individuals have control of a number of stations, say five or six stations in certain areas or within a province?

Dr. STEWART: Yes, I think that is correct.

Mr. ROBICHAUD: Is there no definite policy of the board in regard to this?

Dr. STEWART: Not yet. The preference of the board is for a competitive independent private section of the industry and we have stated so; but again you have to weigh the experience and record of performance of good applicants

who come up when there is no other application before you. I think these preferences have to be tempered with judgment in particular cases.

Mr. ROBICHAUD: Is it not true that the same thing that has happened with our Canadian newspapers could happen in radio and television—one individual could control practically all the stations?

Dr. STEWART: Not if we can help it.

The CHAIRMAN: Mr. Lambert is next, and then Mr. McIntosh.

Mr. LAMBERT: Arising out of the question asked by Mr. Bell, what are the criteria to determine Canadian interests in networks of broadcasting stations? I am referring particularly to incorporated companies and, perhaps, ownership behind that?

Dr. STEWART: We are getting this information from the Department of Transport along with the application for the licence. The form which the department distributes requires, because of section 103 of their regulations, information on the ownership of stock in the applicant's company and if any shares are held by other companies, then the ownership of the stock in these companies must be declared.

Mr. LAMBERT: And do you apply the same mathematical proportion in the holding company's shareholdings?

Dr. STEWART: The only answer I can give you is that we have not had sufficient experience with this to be able to give you a definite answer.

The CHAIRMAN: Mr. McIntosh, will you proceed now?

Mr. MCINTOSH: I am interested in the six applications you have refused and your reasons for refusal; have you any general basis for refusal?

Dr. STEWART: These are share applications.

Mr. MCINTOSH: Yes.

Dr. STEWART: Yes; it is a little misleading. All but one of these have been approved later when fuller information was available to the board. They were not refused because of contravention of provisions of the act or the regulations; they were not approved because the information was inadequate. For example, a company was a part owner; we had no knowledge of their composition and so we said that we would wish to see the distribution of shares in the participating company before we approved. But really it is only in cases of that kind where we have not approved, and I think all but one of these six have been approved subsequently after sufficient information was brought forward.

Mr. MCINTOSH: In the case of two or more applications for a station, and the applicants are desirable characters, would you be influenced by the financial backing of one or the other as to which one you would grant a licence?

Dr. STEWART: We are influenced certainly by evidence of financial capacity to carry forward a good operation; but perhaps your questions had the other point in mind, the nature of the ownership of the station.

Mr. MCINTOSH: What would be your decision in connection with an area that was to be served which, in your opinion, was not financially sound; would you deny an application on those grounds?

Dr. STEWART: We have denied just such an application and, specifically, it was on that ground.

Mr. MCINTOSH: Because of sets in the area, or what?

Dr. STEWART: Homes in the area, the general commercial situation, the general prosperity of the community and the capacity to provide the financing for such a station.

Mr. McINTOSH: Well, in the cases you have had to deal with so far, has the yardstick you use for commercial advertising, say within an area, proved sound?

Dr. STEWART: I would think so.

Mr. SMITH (*Simcoe North*): Having regard to multiple ownership, does your board concern itself with the situation where a station is owned by a group and then turned over for management and operation to other interests who may own stations in other areas?

Dr. STEWART: Yes, where we know about this we take an interest in it.

Mr. SMITH (*Simcoe North*): Is there any regulation prohibiting it?

Dr. STEWART: We have no regulation that prevents this.

The CHAIRMAN: Mr. McGrath is next, and then Mr. Chambers.

Mr. McGRATH: Dr. Stewart, does the board plan to exercise regulatory powers over competitive rates within the industry with a view to ensuring good sound business ethics? I am thinking particularly of multi-channel situations in large metropolitan areas where the competition for the advertising dollar will be keen and where only the publicly-owned Canadian Broadcasting Corporation will be in a somewhat favoured position.

Dr. STEWART: I would say in due course, when the board is able to tackle this, we will be interested in this phase of the operation. So far we have not had an opportunity of looking at it. Beyond that, the matter of rates seems to come under the Department of Transport. I think under the act the reporting of rates to the department is required. Quite obviously I think the matter of rates is related to the capacity of stations to operate and, therefore, this board should, when it is possible to do so, take a look at this problem.

Mr. CHAMBERS: I have two questions. Dr. Stewart, in assessing whether or not an area or a location will support a station, are you dependent on data supplied to you by the C.B.C., or what are your criteria?

Dr. STEWART: There are two courses. The Department of Transport provides us with information which they require the applicant to give to them. In addition to that, there is the information from the applicant himself. of course, the onus is on the applicant to prove that the situation will stand another station. Usually there is no paucity of information provided by the candidates in this connection with respect to the general commercial conditions in the area, the rates of expansion, and so on. But there are the two sources, both of which I think come originally from the people who are making the application.

Mr. CHAMBERS: Do you have a rule of thumb in connection with the number of sets?

Dr. STEWART: We have no definite rule of thumb. We certainly look at this factor. I would not care to say. In fact, I know we have not applied any definite criteria.

Mr. CHAMBERS: My next question is this. Have you a backlog of applications?

Dr. STEWART: I think we are operating just about currently now. When we started there was a substantial backlog. As I understand it from the department, we are perhaps about on a current basis for our next hearing; but there is, of course, a lag between the time applications can be processed for a hearing and a hearing itself.

Mr. CHAMBERS: In the case of a successful application, one that will be granted, about how long does the process take from the time you are presented with a brief to the time you give your decision?

Dr. STEWART: I think it is about ten weeks between the time the application goes to the department and the hearing. Somewhere of that order is required.

Mr. CHAMBERS: After the hearing how long is it before the licence is granted, if it is going to be granted?

Dr. STEWART: We just pass the recommendation on to the Minister of Transport; and beyond that it is out of our hands.

Mr. PICKERSGILL: I would like to ask a supplementary question to those asked by Mr. Bell and Mr. Robichaud. It relates to the procedure with regard to shares. Does the board make any real effort to make sure that a person to whom shares are to be transferred is later to be the beneficial owner? In other words, does the board attempt to make sure that these shares are not being transferred to trustees for some other unnamed person?

Dr. STEWART: I think it is fair to say the board would watch for this. Whether in every case we could catch it or not, I do not know.

Mr. PICKERSGILL: No, no, of course.

Dr. STEWART: But we are certainly aware of the problem, and are watching for it.

Mr. PICKERSGILL: In a case where shares are transferred to a corporate owner, does the board inquire into the nature of that corporation before approving the transfer?

Dr. STEWART: Yes, sir.

The CHAIRMAN: Dr. Stewart, I realize the board is still in its infancy, but I was wondering if any thought had been given to the recommendation of the department as to the discontinuance of duplication of services? As far as radio is concerned, I have in mind two particular C.B.C. stations in metropolitan Toronto. Have you given any thought to the possibility of a recommendation that one of these be discontinued?

Dr. STEWART: No, I am afraid we have not.

The CHAIRMAN: Is that within your power, to suggest the discontinuance of service?

Dr. STEWART: We can, under the act, suspend or recommend the suspension or cancellation of licences, but only for cause, as presumably that is implied within the legislation. Provided the service is satisfactory we would probably have no good ground, under the act, for recommending that a station be withdrawn.

The CHAIRMAN: Then it would have to be on a voluntary basis from the C.B.C. or by the direction of the Department of Transport—or do you know?

Dr. STEWART: I am afraid I do not know the answer to that.

Mr. LAMBERT: Since the board itself cannot initiate a request for additional broadcasting facilities in certain areas, surely would it not imply the board cannot initiate a request for a curtailment of broadcasting?

The CHAIRMAN: Possibly you are right, Mr. Lambert.

Any further questioning on this aspect, or shall we move on to No. 3?

Mr. KUCHEREPA: Mr. Chairman, I have one question concerning the last sentence of paragraph 2.

The CHAIRMAN: That is on page 3, gentlemen.

Mr. KUCHEREPA: Could we have an answer to what is meant by "bona fide employees"? That is the last line of paragraph 2.

Dr. STEWART: This is a good question. I suppose that somebody who is on contract to assist in the programming of a station is a bona fide employee if he is properly employed for that purpose. We have not encountered any case where we were in any doubt as to whether there was any contravention of this requirement.

The CHAIRMAN: We shall go on to paragraph 3 now. This is more or less related to the workings of the Department of Transport with the board of broadcast governors. Any questions on that?

Mr. LAMBERT: Right at the start, Mr. Chairman, I would like to ask if there has been any indication yet whether it might be advisable that the board of broadcast governors take over the whole of the technical determination of radio and television from the Department of Transport?

Dr. STEWART: No.

The CHAIRMAN: Mr. Robichaud?

Mr. ROBICHAUD: Dr. Stewart, is there a definite date—I do not know whether this question has to do with the Department of Transport, but it may—is there a definite date set by the Department of Transport by which an application may be received or presented to the board? What is the policy on that date, if there is any?

Dr. STEWART: There is such a date. It is arrived at in relation to the timing of the next hearings and the necessary steps which have to be taken by the department in scrutinizing the technical aspects of the application, and the time which is set out in the act which the board has to meet in announcing its public hearings.

Our public hearings have to be announced in the *Canada Gazette* at least two weeks, I think it is, before the public hearings. Actually, they have to get into the *Canada Gazette* about three weeks before, as a minimum. At the other end, there is the work which the department has to do to satisfy itself on the technical requirements. This involves both the board and the Department of Transport, and in the discussions which we have we set a time for the next hearings. Then the department announces the cut-off date. It advises all people who it knows are working on briefs that this is a cut-off date, and if they do not get in by that date they will not be heard by the board.

Mr. ROBICHAUD: How far in advance is this cut-off date announced? If an applicant wants to apply for a licence how long ahead does he know that date is going to be on such and such a date? For example, if I were an applicant and I wanted to apply at the next meeting of the board, how do I know what is the limit date for me to apply?

Mr. CHAMBERS: Ask the Department of Transport.

Dr. STEWART: The department will know that. I suspect it is a matter of a week or two at that point. The point is, the board is holding meetings more or less continuously, as often as it is possible to do so, and anybody who is interested knows that this is so. If they are interested they should be working on their briefs.

Mr. ROBICHAUD: What date has been set for the next meeting of the board? I think there is to be one early in July, but what is the position about the next one?

Dr. STEWART: No definite date has been set yet, but it will probably be about the latter part of September.

The CHAIRMAN: Any further questions on paragraph 3? If not, we will go on to paragraph 4. I would assume and presume—both—that we have covered this pretty well. This has to do with the executive committee; and that completes pages 5 and 6. Are there any questions up to the end of section 4?

Mr. LAMBERT: Yes, Mr. Chairman. This was asked a little earlier, but I would like a little elaboration on it. This has to do with the matter of demonstrated need and the criteria for that. Is it considered at all that a profitable operation could be built up even though the Department of Transport may report there are already four or five stations in an area and that one of those stations should actually be out of business and could not compete if it was up against aggressive and efficient management? Is that factor considered at all in looking at demonstrated need?

Dr. STEWART: In a statement that the chairman made recently in Toronto, we said that we believe in the spur of competition, and that in a situation which had remained static for some period of time—and I mean static in the sense of the service provided—the board might very well consider that a new station might help the service generally in the area.

I would say that there is another factor involved here. Under the act, the board has access to the financial returns, financial statements, of the operators, and this is a factor which the board also takes into account.

The CHAIRMAN: Shall we go on to No. 5, gentlemen?

Mr. PICKERSGILL: Before we go on to No. 5, I have one question, and that is about this permanent network in—it says here—the maritime provinces. I do not know whether it means the maritime provinces or the Atlantic provinces.

Dr. STEWART: Maritime.

Mr. PICKERSGILL: I would be interested to hear what the nature of the network is, and perhaps the chairman would comment briefly on this.

Dr. STEWART: Could I ask Mr. Allison to reply to this?

Mr. CARLYLE ALLISON (*Member, Board of Broadcast Governors*): Mr. Pickersgill, this was a continuation of a service established by Mount Allison University. There were a number of stations, largely in Halifax and Nova Scotia—I think, one on Prince Edward Island—who tied in for the past four or five years to do educational broadcasts. Recently, these same people of these same stations asked this board whether we would permit them to carry on with this similar experiment. We replied that we could, on a temporary basis—under the act—for one month.

They had already advertised, so this was one way of meeting their advertising and not disappointing their public. But for a permanent set-up they would have to be present at a public hearing, where opposition might be heard. We went through that routine of having a public hearing, and gave this permission. It is only two hours, one night a week. In addition to educational broadcasts, they are planning some quiz programs between different cities in the maritimes. The cities, by the way—I have them here now—no, that is not the list; I am sorry.

Mr. McCLEAVE: It could not be, with those stations.

Mr. ALLISON: It is still on an experimental basis. We will review this after it has been in operation for one year, I think it is.

Mr. PICKERSGILL: I do not suppose I should ask Mr. Allison: has the name of the sponsor had any influence on the board?

Mr. ALLISON: None at all.

Mr. McCLEAVE: These public hearings you hold, are they to be held only in Ottawa, or will they be held in different parts of Canada?

Dr. STEWART: So far they have been held only in Ottawa. The board might, under certain conditions, feel that it was the proper thing to do to go to the city in which the applications were to be considered. But so far it has only been in Ottawa.

The CHAIRMAN: Shall we move on to No. 5?

Mr. LAMBERT: No, Mr. Chairman. The third paragraph on page 6, dealing with the approval, or non-approval of transfers of shares: what are the criteria, other than the Canadian ownership requirements under section 14 of the act?

Dr. STEWART: This is really all. Section 14 of the act is the only reference in the act to this. But under section 103 of the general regulations under the Radio Act, it is required that the Minister of Transport cannot act except on recommendation of the board of broadcast governors, and these conditions are specified in section 103 of the Radio Act. So that we keep all these points in mind when we are dealing with transfers of shares. But they are all specified in section 103 or section 14.

The CHAIRMAN: I think we will have to rise. I will read you the names of the persons going to Toronto tomorrow: Mr. R. A. Bell, Mr. Tom Bell, Mrs. Casselman, Mr. Chambers, Mr. Eudes, Mr. Fairfield, Mr. Fisher, Mr. Forgie, myself, Mr. Johnson, Mr. Kucherepa, Mr. Lambert, Mr. McCleave, Mr. Muir (*Lisgar*), Mr. McIntosh, Mr. Paul, Mr. Richard, Mr. Robichaud, Mr. Smith (*Calgary South*), Mr. Smith (*Simcoe North*), Mr. Taylor and Mr. Tremblay. We leave here at 9.00 o'clock tomorrow morning, by bus.

Mr. SMITH (*Calgary South*): Mr. Chairman, I wonder if you would be kind enough to ask the corporation if we could have the costs that we asked for some weeks ago?

The CHAIRMAN: We shall ask them again this afternoon and see if we cannot have them for Thursday morning.

Mr. CHAMBERS: What time do we get back?

The CHAIRMAN: We leave Toronto at 10.00 o'clock and will be back here in the building at approximately 11.30.

Mr. CHAMBERS: At night?

The CHAIRMAN: At night.

Mr. CHAMBERS: We miss the vote.

The CHAIRMAN: What time is the vote.

An hon. MEMBER: At 8.15.

The CHAIRMAN: We can talk about it going up on the plane. Bring your own refreshments, gentlemen; there are none on board.

Mr. McCLEAVE: Could we have the new regulations of the board that take effect on June 1?

The CHAIRMAN: We will have copies.

APPENDIX "A"

NOTES RE FILM QUESTIONS (JUNE 9-59)

1. a. Total # Films on French TV

	Fiscal Year 1957-58	Fiscal Year 1958-59
Long Features	254	405
Short Subjects Canadian	69	36
Short Subjects Foreign	745	1,748
Series—Canadian	329	388
Series—Foreign	919	1,260
	<hr/> 2,316	<hr/> 3,837

1. b. Balance Live/Film Average for Year:

1957-58	74%/26%
1958-59 (first 9 months)	70%/30%

2. a. Payments to Distributors for Film Rentals

1957-58	
Canadian	\$2,584,000
Foreign (approx. 7%)	175,000
1958-59	
Canadian	\$3,350,000
Foreign (approx. 7%)	250,000

2. b. List Attached

June, 1959.

APPENDIX "B"

List of Film Distributors with whom the C.B.C. has contracted for film rental or purchase for the French TV Network during the years 1957-58 and 1958-59. (# Foreign)

ABC	Normandie Film
A & F	N.T.A. Telefilm of Canada
Art Films	#Pathe Films
Atlas Film	Premier Film of Canada
Real Benoit	#S.I.P. France
#Black, Charles	Quebec TV Booking
Caldwell, S. W. Ltd.	Radio-City
Canadian Video Ltd.	Radio-Video
Cine World	Rank Films, J. A.
Citel	Rex Films
Faculte d'Agriculture	Riopel Prod.
Filmex	Screen Gems
Fremantle of Canada	#S.I.P.T. (France)
France Film	Sterling Films
France Europe Film	Studio 7
Imperial Films	Telefilm of Canada
#Information & Publicite (France)	Tele International
International Film Dist.	#Tele Monte Carlo
Inter TV	Transatlantic Films
Motion Picture for TV	United Artist
National Film Board	United Telefilm
Niagara Film	

Total — 43

Canadian — 37

Foreign — 6

June, 1959

APPENDIX "C"

(TRANSLATION)

Letter from the Bishops' Conference
of the civil province of Quebec

MAY 19, 1959.

Mr. Gérard Lamarche,
Director of the French Network,
CBC Montreal.

Dear Sir:

The Episcopate of the province of Quebec, in regular meeting assembled at Quebec, feels in duty bound to point out to you its very great concern at the many programs on the French network which disparage, seemingly on purpose, the highest values of Christian faith and morals.

We have not failed to greet with satisfaction those programs which, on more than one occasion, have seemed in our opinion to contribute to raising the moral sense of the population, promoting civic-mindedness, and adding to its culture and information.

But there are other broadcasts—and the program televised on May 3rd last, which aroused such deep indignation, is only the most flagrant example—which seem calculated to undermine the spiritual and religious traditions which hold so a high a place in the heritage of our nation. It is our bounden duty as bishops to uphold and safeguard those traditions. It is therefore as shepherds of souls and as guardians of faith and morals that we raise this protest.

We are confident, sir, that the senior officials of the CBC will be able to effect the important corrective measures that are needed. We venture to hope that all persons responsible for radio and television programs—directors, writers, producers, and participants—will show greater respect in future for the Christian principles and religious convictions of which our nation is so justly proud and which it rightly considers essential to society and inseparable from our civilization and culture.

We are sure that you will give these protests, submitted with all respect, your sympathetic consideration.

Yours in the Lord,

On behalf of the Bishops' Conference of
the civil province of Quebec
(signed) Charles-Omer Garant,
Auxiliary Bishop at Quebec,
Secretary of the Bishops' Conference
of the province.

APPENDIX "C"

(TRANSLATED)

Reply of the CBC

The Most Reverend Charles-Omer Garant,
Auxiliary Bishop at Quebec,
Secretary of the Bishops' Conference of the province,
Quebec.

Your Excellency:

We have given very serious consideration to the communication which you sent us on behalf of the Bishops' Conference of the civil province of Quebec. If on the one hand we are grieved that you censure us so severely as a result of the unfortunate error of May 3rd, we humbly accept your reproach as we have already accepted the sanction of public opinion and of almost of all the French-language press in Canada.

On the other hand, in the midst of the recent chorus of protests, your voice was raised to recall the fact that you have not failed in the past "to greet with satisfaction those programs which, on more than one occasion, appeared to you to contribute to raising the moral sense of the population, promoting civic-mindedness, and adding to its culture and information". In that respect, your communication is reassuring and we regret that more voices were not raised to call attention to a past and present record of which the Corporation, generally speaking, has reason to be proud. This would place the discussion in a true perspective.

It is inevitable that we should from time to time be called to task for our mistakes. For more than twenty years, however, the Corporation has distinguished itself most often by its successes and by the enlightened exercise of its responsibilities. The work of the CBC as a whole, and the sincerity of our intentions therefore do not seem to us to deserve the twofold reproach, so serious behind the attenuating remarks which accompanied it, of disparaging "seemingly on purpose, the highest values of Christian faith and morals" and of seeming to be "calculated to undermine the spiritual and religious traditions which hold so high a place in the heritage of our nation".

We wish, Your Excellency, to accept your protest with all the respect we bear you and to draw from it for our guidance the lessons that will help us in the difficult task we are performing. Conscious of our duties and obligations, we shall continue to take the necessary steps to prevent the repetition of incidents as regrettable as that of May 3rd.

The CBC has publicly expressed its dismay at the matter. It has always wished in the past to respect the Christian principles, the religious convictions, and the traditions which are at the base of French-Canadian civilization. It still wishes to do so. We are only human and we sometimes make mistakes, but—believe me—never intentionally.

Please present to your conference our expression of respect and the assurance of our filial homage.

(signed) Gérard Lamarche,
Director of the Quebec Division and
the French Network.